

**From:** Mason, Jennifer <Jennifer.Mason@DINSMORE.COM>  
**Sent:** 3/18/2019 3:18:01 PM  
**To:** Mason, Jennifer  
**Subject:** Legislative Update

**Attachments:** [image001.jpg](#)

At the time of the seminar in January, I promised to provide you with an update on any bills introduced in the State Legislature or Congress. Below is a summary of the Federal Bills introduced since January (that is in the new Congress) and which were submitted during the WV 2019 Session. The status of the bills is listed below each, along with a brief summary of the content of each.

**FEDERAL LEGISLATION:**

**The following bills have been introduced in either the House or Senate. THEY ARE NOT YET LAW.**

1. HR 1119—**Bank Access Bill**

This bill to amend the Controlled Substances Act to reduce the gap between Federal and State Marijuana policy would amend the Bank requirements for filing suspicious activity reports and improve access to banking for marijuana related businesses.

(It has been referred to several committees but has little sponsorship.)

2. HB 1151-**Veterans use, possession or transport of Medical Marijuana Bill**

This bill would permit veterans to use, possess, or transport medical marijuana in a State or Indian land if the use, possession, or transport is authorized and in accordance with the law of the applicable State or Indian Tribe.

(It has been referred to several committees.)

3. SB 422-/ HB 1118 -**Amendment to Section 280E of the Internal Revenue Code**

Section 280E of the Internal Revenue Code of 1986 would be amended to include: “unless such trade or business consists of marijuana sales conducted in compliance with State law.”

It would allow deductions and credits related to expenditures in Connection with marijuana sales conducted in compliance with State Law.

(It has only been introduced in the Senate. No other action has yet taken place.)

4. SB 420/ HB 1120 -**Amendment to Internal Revenue Code to provide for taxation and regulation of marijuana products**

This bill would provide for the taxation and regulation of marijuana products.

(Referred to committee on Finance.)

**WEST VIRGINIA LEGISLATION:**

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**The following bills have been introduced in either the House or Senate. Even if they were passed by the House and Senate, THEY ARE NOT YET LAW until signed by the Governor. IF the bill is listed as being in Committee at this time, it did not make it out to final vote for passage before the end of the legislative session.**

1. HB 2828 **Qualified Opportunity Zones Created (Passed House and Senate)---WV Code 11-21-12j and 11-24-6b**

Summary:

(1) For individuals: in an amount equal to and limited to that portion of net income included in federal adjusted gross income by a taxpayer in the taxable year that is directly derived from a qualified opportunity zone business located in a qualified opportunity zone which is located in West Virginia;

(2) For partners or members of limited liability companies that are treated as partnerships for federal income tax purposes, and other pass-through entities: in an amount equal to and limited to that portion of the distributive share of the partner or member that is attributable to the flow through income directly derived from the qualified opportunity zone business located in West Virginia. A similar rule applies to shareholders in corporations taxed under subchapter S of the Internal Revenue Code.

(b) *Eligibility.* - To be entitled to modification provided for in subsection (a) of this section, the qualified opportunity zone business must be a newly registered business in West Virginia registered on or after January 1, 2020, or an existing West Virginia business that has qualified as a qualified opportunity zone business in West Virginia on or after that date. Limited liability companies that are treated as corporations for purposes of the federal income tax and West Virginia corporation net income tax and which otherwise qualify in accordance with the requirements and limitations of this section may qualify for the modification authorized under this section.

(c) *Duration.* - The modification provided for in subsection (a) of this section shall apply with respect to a taxpayer for a 10-year period beginning with the first full taxable year during which the qualified opportunity zone business first qualifies as a qualified opportunity zone business, or the first year in which the qualified opportunity zone business reports net income: *Provided*, That the qualified opportunity zone business first qualifies as such on or after January 1, 2020.

(d) The following definitions apply to this section:

(1) "Qualified Opportunity Zone Business" means "Qualified Opportunity Zone Business" as that term is defined in 26 U.S.C. §1400Z-2.

(2) "Qualified Opportunity Zone" means "Qualified Opportunity Zone" as that term is defined in 26 U.S.C. §1400Z-1.

(e) The Tax Commissioner may propose rules necessary to carry out the provisions of this section and to provide guidelines and requirements to ensure uniform administrative practices statewide to effect the intent of this section, all in accordance with the provisions of [§29A-3-1](#) et seq. of this code.

2. HB 2276-**Bill to allow Commissioner of Agriculture to promulgate legislative rules related to industrial hemp.**

(Referred to House Judiciary Committee/No further action)

3. HB 2538-**Bill to provide banking services for medical cannabis, etc.**

-(Passed House and Senate)

4. HB 2694-**Hemp Redevelopment Act**

Modified the definition of Hemp to be consistent with Federal law; establishing that a license is not necessary to possess, handle, transport, or sell hemp products and extracts; requiring a person cultivating, handling or processing hemp to have a license; requiring global positioning to be included on application; amending the background check requirements; permitting agency and law enforcement to enter premises; allowing commissioner to promulgate legislative rules; providing authority to the Department of Agriculture to submit a plan for regulating hemp; and amending the violations.

(Passed House and Senate.)

5. HB 2796 -**Bill to Allow Commissioner of Agriculture to contract with private laboratories for analysis of samples of hemp**

(In Committee.)

6. HB 2936-**Medical Cannabis Rules**

A bill to amend 16-6-13 to permit verticality.

(In Committee.)

7. HB 2999-**Changes to Code Relative to Hemp and Marijuana**

Changes include encouraging WV residents to develop certified seed stock; Adding Resident Incubator Permit Program (rulemaking); removing marijuana and THC from uniform controlled substance act;

(In Committee)

8. HB 3004-**Hemp Act**

Bill modifying 19-12E-4, et seq. regarding requirements for licensure including changes to the background check; to permit cannabis for research and education; to permit any person to grow up to 10 mature flowering hemp plants provided they register with the Commissioner of Agriculture;

(In Committee)

9. HB 3108-**Normalization of Cannabis Act**

Bill normalizing cannabis laws, permitting adult use of cannabis, providing testing, prohibiting state civil asset forfeiture, etc.

(In Committee)

10. HB 3129-**Cannabis Development Act**

A bill decriminalizing cannabis, permitting production and adult use of cannabis; etc.

(In Committee)

11. SB 199-**Authorization to Promulgate Rules regarding industrial Hemp (etc.)**

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(Passed House and Senate.)

12. SB 439-**Hemp Tax Credits**

Creating five-year tax credits for persons engaged in industrial hemp manufacturing, etc.

(In Committee)

13. SB 629-**Hemp Development**

Bill relating to State’s ability to regulate hemp production by submitting a plan to the Secretary of Agriculture.

(In Committee)



Dinsmore & Shohl LLP • Legal Counsel  
1033 Court Street N  
Lewisburg, WV 24901  
T (304) 645-9118 • C (412) 427-8828

Dinsmore & Shohl LLP • Legal Counsel

1300 Six PPG Place  
Pittsburgh, PA 15222  
T (412) 230-8997 • F (304) 645-5375

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TO: Mason, Jennifer  
From: "Mason, Jennifer" <Jennifer.Mason@DINSMORE.COM>  
CKX-Bounce-Address: Jennifer.Mason@DINSMORE.COM  
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